

## Message Text

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ORIGIN SNM-02

INFO OCT-01 EA-06 IO-10 ISO-00 H-02 DEAE-00 NSC-05 IGA-01

AID-05 AGR-05 PM-03 CIAE-00 INR-07 NSAE-00 DODE-00

JUSE-00 L-02 SP-02 PRS-01 USIA-06 TRSE-00 OES-03

OMB-01 /062 R

DRAFTED BY EA/TB:CLSTERMER:S/NM:JRAFFERTY:BB

APPROVED BY S/NM:SBVANCE

EA/TB:GBROBERTS

EA/RA:WGALLAGHER (DRAFT)

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P R 251743Z APR 75

FM SECSTATE WASHDC

TO AMEMBASSY RANGOON PRIORITY

INFO AMEMBASSY BANGKOK

USMISSION USUN NEW YORK

USMISSION GENEVA

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E.O. 11652: N/A

TAGS: SNAR, BM

SUBJECT: SHAN STATE PROPOSAL: CONGRESSIONAL HEARINGS

1. FOLLOWING A TWO-WEEK POSTPONEMENT, REP. WOLFF HELD HEARINGS ON THE SHAN STATE ARMY PROPOSAL APRIL 22-23. EXECUTIVE BRANCH WITNESSES WERE AMBASSADOR VANCE, DEA ADMINISTRATOR BARTELS, AND SAODAP DIRECTOR DUPONT; TWO FORMER RESIDENTS OF THE THAI-BURMA BORDER AREA, DAVID FEINGOLD AND LUCIAN HANKS; ADRIAN COWELL (UK SUBJECT) AND EDWARD LAW YONE (FORMER BURMESE NEWSPAPER EDITOR). THE HEARINGS WERE WELL-ATTENDED. AMONG THOSE PRESENT WERE BURMESE EMBASSY REPRESENTATIVES AND OTHER MEMBERS OF

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THE BURMESE EXPATRIATE COMMUNITY, INCLUDING FORMER

PREMIER U NU'S SON MAUNG AUNG. VARIOUS OTHER CONGRESSMEN, MEMBERS OF THE FUTURE FOREIGN POLICY RESEARCH AND DEVELOPMENT SUBCOMMITTEE CHAIRED BY REP. WOLFF, ATTENDED THE HEARINGS BUT CONFINED THEIR PARTICIPATION TO OBSERVATIONS AND QUESTIONS OF THE WITNESSES. CONGRESSIONAL MEMBERS ATTENDING DURING THE FIRST DAY WERE: BURKE, GUYER, GILMAN, YATRON AND ZABLOCKI.

2. IN GENERAL, THE HEARINGS WERE LARGELY NON-POLEMIC. THEY WERE IN THE MAIN A USEFUL PUBLIC AIRING OF THE COMPLEXITIES INVOLVED IN STRUCTURING PROGRAMS AND

POLICIES THAT COULD EFFECTIVELY COME TO GRIPS WITH THE DRUG ABUSE ISSUE IN SOUTHEAST ASIA AND ESPECIALLY BURMA. THE WITNESSES READ PREPARED STATEMENTS AND THEN ANSWERED QUESTIONS. CENTRAL THEMES PLAYED BY WOLFF AND TO SOME EXTENT BY OTHER CONGRESSMEN WERE: EXECUTIVE BRANCH -- STATE DEPARTMENT -- DISINCLINATION TO COOPERATE INDEPENDENTLY OF THE BURMESE GOVERNMENT WITH THE SHAN DISSIDENT GROUPS, A RECOGNITION THAT CROP SUBSTITUTION WAS THE ONLY LONG-TERM SOLUTION, SOME CRITICISM OF THE HELICOPTER PROGRAM BECAUSE THEIR USE COULD NOT BE ASCERTAINED BY US OBSERVERS, THE LACK OF DEA REPRESENTATION IN BURMA, BURMESE RESTRICTIONS ON TRAVEL IN THE SHAN STATE, AND THE GENERAL LACK OF PROGRESS IN ACCOMPLISHING MEASURABLE RESULTS IN STEMMING THE FLOW OF ILLICIT NARCOTICS INTO INTERNATIONAL CHANNELS.

3. REP. WOLFF ASKED THE MOST POINTED QUESTIONS REGARDING THE DEPARTMENT'S GENERAL STANCE TOWARD PROPOSALS OF THIS KIND. HE PRESSED THE WITNESSES PARTICULARLY ON WHY THEY THOUGHT PRE-EMPTIVE BUYING WOULD INCREASE PRODUCTION AND QUESTIONED WHETHER WE REALLY HAD ACCURATE INFORMATION ON WHAT WAS HAPPENING IN THE SHAN STATE. HE SHOWED CONCERN OVER THE INABILITY OF DEA TO OPERATE OVERSEAS WITHOUT THE DEPARTMENT'S EXPLICIT APPROVAL.

4. FEINGOLD, AN ANTHROPOLOGIST FRIEND OF COWELL'S AND STUDENT OF THE AKHA PEOPLES NEAR MAE SAI, FAVORED THE PROPOSAL. HE SAID IT WOULD MAKE UP FOR THE WORLDWIDE LIMITED OFFICIAL USE

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SHORTAGE OF LICIT DRUGS. COWELL, AS EXPECTED, ALSO SUPPORTED THE CONCEPT. HE PRESENTED A WELL-DOCUMENTED ACCOUNT OF HIS ARGUMENTS, SPEAKING OBVIOUSLY WITH INTIMATE FAMILIARITY OF THE AREA AND ORGANIZATIONS. FOR EXAMPLE, HE CLAIMED THAT THE SSA AT ONE TIME REGULARLY SHIPPED OPIUM FROM BURMA ABOARD THAI HELICOPTERS. HANKS OPPOSED THE PROPOSAL, POINTING TO CONTROL PROBLEMS AND THE LIKELIHOOD OF THE SCHEME'S INCREASING OPIUM

PRODUCTION. LAW YONE, SPEAKING AS A FRIEND OF BOTH U NU AND NE WIN, RELATED THE HISTORICAL BACKGROUND OF THE PRESENT SITUATION AND SEEMED EQUIVOCAL ON THE PROPOSAL ITSELF. VANCE AND BARTELS, STRESSING FAMILIAR ARGUMENTS OF THE NECESSITY TO WORK THROUGH LEGITIMATE GOVERNMENTS OF THE REGION, IMPROPRIETY OF SCHEME UNDER SINGLE CONVENTION AND FACT PROPOSED DEAL WOULD ENCOURAGE NOT DISCOURAGE PRODUCTION, SAID THAT STATE HAD SERIOUS PROBLEMS WITH THE PROPOSAL IN ITS PRESENT FORM. IT WAS STRESSED THAT WE DID NOT REJECT SCHEME OUT OF HAND AND THAT WE HAD INFORMED GUB OF ITS DETAILS.

5. REP. WOLFF ASKED AMBASSADOR VANCE TO REFER THE PROPOSAL TO THE INTERNATIONAL NARCOTICS CONTROL BOARD FOR ITS REACTIONS. IMMEDIATELY FOLLOWING THESE HEARINGS, AMBASSADOR VANCE WAS ABLE INFORMALLY TO DISCUSS THE PROPOSAL WITH PROFESSOR PAUL REUTER, PRESIDENT OF THE INTERNATIONAL NARCOTICS CONTROL BOARD, AND MR. JOSEPH DITTERT, SECRETARY OF THE INCB, WHO HAPPENED TO BE IN WASHINGTON. REUTERS NEWS SERVICE (NO CONNECTION TO PROFESSOR REUTER) ERRONEOUSLY REPORTED THAT STATE ASKED UN TO NEGOTIATE IMPLEMENTATION OF THE PROPOSAL WHICH THE DEPARTMENT LATER DENIED.

6. COPIES OF THE COMMITTEE REPORT ON THESE HEARINGS WILL BE FORWARDED UPON RECEIPT. EXECUTIVE BRANCH WITNESSES OPENING STATEMENTS BEING POUCHED. KISSINGER

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